United Nations A/C.2/59/SR.32

General Assembly
Fifty-ninth session

Official Records

Distr.: General
19 January 20054

Original: English

Second Committee

Summary record of the 32nd meeting
Held at Headquarters, New York, on Monday, 15 November 2004, at 3 p.m.

Chairman: Mr. Balarezo ..... (Peru)

Contents

Agenda item 91: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources (*continued*)

Agenda item 85: Sustainable development (*continued*)

(b) Further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (*continued*)

(c) International Strategy for Disaster Reduction (*continued*)

Agenda item 89: Eradication of poverty and other development issues

(a) Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

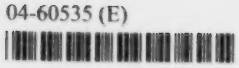
(b) Women in development

(c) Industrial development cooperation

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

04-60535 (E)



The meeting was called to order at 3.10 p.m.

Agenda item 91: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources (*continued*) (A/59/3 (chap. I) and A/59/89-E/2004/21)

1. **The Chairman** asked the observer delegation of Palestine to convey the Committee's condolences to the Palestinian people on the loss of their leader.

2. **Mr. Alaujan** (Bahrain) said that under international law and international humanitarian law an occupying Power did not exercise sovereignty over occupied territory and had an obligation to respect cultural property and other property.

3. His Government was concerned at Israel's failure to respect United Nations resolutions and other international instruments and at its persistent obstruction to international peace initiatives, its ongoing annexation of Arab territory since 1967, the spread of settlements, its exploitation of natural resources, including water resources and agricultural and residential land, its restriction on movement between Palestinian towns and villages, its establishment of check points and other actions, all of which were denials of human rights and fundamental freedoms under the Charter of the United Nations and violated General Assembly resolution 58/229 which reaffirmed the inalienable rights of the Palestinian people and the population of the occupied Syrian Golan over their natural resources, including land and water, and called upon Israel, as the occupying Power, not to exploit, cause loss or depletion of or endanger the natural resources in the Occupied Palestinian Territory, including East Jerusalem, and in the occupied Syrian Golan.

4. Israel's most serious violations were associated with the continuing settlement activity in occupied Palestine and the occupied Syrian Arab Golan, particularly in already populated areas from which the residents had been forcibly expelled without regard for international instruments and in violation of Security Council resolution 465 (1980), which had declared that the settlements were illegal and called for the existing settlements to be dismantled. The situation was further complicated by the increase in the number of homeless people — estimated at between 13,000 and 16,000 in 2003 — who had been forcibly displaced as a consequence of the expropriation of land by Israel.

5. Despite the recent advisory opinion of the International Court of Justice concerning the illegality of the separation wall being built by Israel, construction had continued both around Jerusalem and in the West Bank inside the green zone. The separation wall divided Palestinian land in the West Bank and the Gaza Strip and had considerably worsened the situation of the populations.

6. A report prepared by the Economic and Social Commission for Western Asia (ESCWA) (A/58/75-E/2003/21) provided a convincing picture of the hardships suffered by the Palestinian people, including an increase in poverty and unemployment, as a result of Israeli practices as well as a deterioration in health facilities and the displacement of hundreds of Palestinians following the destruction of their houses.

7. The report by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (A/59/13) stated that one third of the 1.3 million Palestinian refugees in the camps administered by the Agency were located in areas close to Israel, including the West Bank and the Gaza Strip. The camps were overcrowded and lacked basic facilities, including electricity and sewerage. The UNRWA figures showed that some 10,000 Palestinians had been rendered homeless as a result of the destruction of houses since 2000 and that unemployment had reached 70 per cent in some areas.

8. In the occupied Syrian Golan, Israel had continued to alter the legal and demographic characteristics of the occupied territory. Despite condemnation by the international community of its settlement policy, it had continued to build settlements and military camps in the occupied territories and to exploit agricultural land and water resources. The mobility restrictions imposed on the Arab population and other measures, including taxes on the purchase and sale of food and on the use of water, land and transport, were illegal under the fourth Geneva Convention of 1949 and contrary to Security Council resolution 497 (1981), which had declared the action by Israel to be without legal effect and demanded the rescission of the measures it had imposed.

9. Peace was a strategic choice and, as the Millennium Declaration had stated, was a universal aspiration. The achievement of peace in the Middle

East required compliance with all obligations, in particular Security Council resolutions 242 (1967) and 338 (1973) as well as the Madrid peace process, the principle of land for peace, the road map and the Arab peace initiative endorsed by the Beirut Summit and other international gatherings.

10. **Mr. Zoubi** (Jordan) expressed deepest condolences to the delegations and people of the United Arab Emirates and Palestine on the deaths of their leaders, Sheikh Zayed bin Sultan Al Nahyan and President Yasser Arafat, respectively. Both men had dedicated their lives to unifying their people in pursuing the right to establish their own independent State.

11. He said that the ESCWA report on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan (A/59/89-E/2004/21), illustrated the difficulty in tracking the causes of that situation. Almost all the main topics and indicators in the report showed a worsening of the situation during the period under review.

12. The scope of the repercussions went far beyond their economic and social dimensions; the economy in the territory under Israeli occupation had deteriorated to the extent that it had been described as "war-torn". He referred to a statement made by the representative of Egypt under the current agenda item on an earlier occasion, to the effect that the Millennium Development Goal indicators for Palestine had regressed under Israeli occupation.

13. All through the years preceding and following the signing of the peace treaty between Jordan and Israel and in the eleven years since the signing of the Oslo Agreement between the Government of Israel and the Palestine Liberation Organization, Jordan had maintained its position of working towards a just, comprehensive and lasting peace in the Middle East. Both sides, and the other countries in the region, were regarded as partners of Jordan in the quest for a comprehensive peace. Jordan viewed the current agenda item as an opportunity not so much for launching harsh criticisms against Israel, as for voicing its concerns regarding the consequences of Israel's continued policies. Such practices and policies could have a serious dampening effect on peace and the two-State solution, as stipulated in the road map of the Quartet. Furthermore, the consequences of those policies were further exacerbated by Israel's continued defiance of United Nations resolutions in that regard.

14. Jordan was deeply concerned about the impact on young people of Israeli practices in the territory under its occupation, such as massive school closures due to movement restrictions that confined children to their homes and damage inflicted on schools, as described in paragraph 41 of the ESCWA report.

15. **Mr. Sabbagh** (Syrian Arab Republic) began by extending his sympathies to the observer delegation of Palestine and to the Palestinian people on the death of their leader, Mr. Yasser Arafat.

16. In a statement in the Economic and Social Council the previous July his delegation had said that the Israeli practices in the occupied territories since 1967 had been designed to perpetuate the occupation and expand the building of settlements. His delegation had also referred to the illegal expropriation of land and to the killing, destruction and terrorism practised by Israel, some examples of which were cited in the ESCWA report (A/59/89-E/2004/21) which referred, in particular, to the targeting of civilians, the destruction of wells, the uprooting of trees, the expulsion by the occupying Power of the population and the destruction of their homes, and the associated killing, including the crushing to death by an Israeli bulldozer of a United States solidarity worker who had been trying to prevent destruction of a Palestinian house in the Gaza Strip. The report described the daily sufferings of the Palestinian people and of the civilian population of the occupied Syrian Golan where Israel had continued to deny basic human rights in defiance of the applicable United Nations resolutions and the principles of international law.

17. The representative of Israel, who had had the effrontery to speak of his country's contributions to development, had perhaps forgotten that those contributions had included the uprooting of trees, the theft of water and the laying waste and desertification of occupied Arab territory and environmental pollution by chemical and nuclear waste, all of which were documented in United Nations reports.

18. Statistics were inadequate to convey the full extent of the desperate plight of the Palestinian people under an Israeli Government that took pride in its acts of terrorism and gave free rein to its war machine,

which in many cases even targeted innocent children. Israel was continuing to impose its policies, not only killing and destroying but plundering natural resources in occupied Palestine and in the occupied Syrian Golan as well as preventing Arabs from using their water resources and building warehouses and wells.

19. Israel had tried to impose a new reality on the ground while continuing to build its expansionist, racist wall which annexed vast areas of Palestinian territory, in total disregard of the advisory opinion of the International Court of Justice, which had stated that the wall was illegal and should be dismantled. Israel's aim in constructing the wall was to strengthen its colonialist presence by cutting off access to Palestinian territory, and to impede the establishment of a sovereign Palestinian State in the occupied territory that it had occupied since 1967, including Jerusalem. Those practices were continuing, while at the same time the Arab side was endeavouring to achieve a just and comprehensive peace based on international legitimacy and the principle of land for peace.

20. **Mr. Ramadan** (Lebanon) began by offering his condolences to the Palestinian people on the death of its elected President.

21. It was regrettable that the Committee was discussing the same item yet again and was likely to be discussing it the following year. The ESCWA report (A/59/89-E/2004/21) fully documented the barbarity of the Israeli occupation of Palestinian territory and of the Syrian Golan. That occupation had lasted for over 37 years and it was important for the Committee to adopt a resolution on the subject every year. Given that the Committee was primarily concerned with sustainable development, poverty eradication and the attainment of the Millennium Development Goals, above all through the exploitation of natural resources, the illegal exploitation of those resources by Israel was of direct concern to it and the adoption of a resolution would be an essential aspect of the Committee's commitment to development.

22. In its resolution 2003/59, the Economic and Social Council had affirmed that Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem, and the occupied Syrian Golan, were illegal and an obstacle to economic and social development. Israel's settlement policy was one of continuing expansion; the areas earmarked for settlement covered 41.9 per cent of the occupied West Bank and 45 per cent of the occupied Gaza Strip. The settlements were connected by a network of roads crossing Palestinian territory and destroying vast areas of agricultural land belonging to people whose economy was largely based on agriculture. In the occupied Syrian Golan, most of the land was set aside for military use and for settlements. As a result, the remaining Syrian Arab population controlled only 6 per cent of its territory.

23. The separation wall that Israel was currently building in occupied Palestine was estimated to be three times as high and twice as long as the Berlin Wall and would annex 16.6 per cent of Palestinian territory. Not only would the wall deny Palestinian farmers access to their land, but the annexation by Israel of 51 per cent of the water resources of the West Bank would deny Palestinians the water they needed for farming and would lead to the widespread destruction of agricultural land.

24. **Mr. Atiyanto** (Indonesia), noting the mounting economic and social damage caused by the protracted occupation of Palestinian territory, expressed his delegation's concern over the intolerable situation of Palestinians. General Assembly resolutions on the sovereignty of States and avoidance of the use of extraterritorial coercive measures as instruments for the attainment of national goals should be respected. Israeli occupation clearly bred ill-will among Palestinians, jeopardized their right to self-determination and deprived them of control over the resources within their shifting borders.

25. Indonesia wished to reaffirm the inalienable rights of the Palestinian people and the population of the occupied Syrian Golan over their natural resources and its support for the implementation of General Assembly resolution 58/229 and other United Nations resolutions in that regard.

26. **Mr. Mirafzal** (Islamic Republic of Iran) expressed his delegation's condolences at the sad demise of Chairman Yasser Arafat, a great leader who had struggled for half a century against Israeli occupation of Palestinian territory. The name of Yasser Arafat would forever be reminiscent of his defence of the legitimate rights of the people of Palestine, and his tireless efforts in various international and regional organizations to achieve liberation would never be forgotten.

27. Once again, the report prepared by ESCWA documented grave violations of international

humanitarian law perpetrated by Israel against the Palestinian people in the occupied Palestinian Territory. Recent military operations by Israel against civilian targets in the Gaza Strip and the brutal killing of a large number of Palestinian civilians, including children and women in refugee camps, constituted war crimes. Such acts, along with many other forms of dispossession and destruction of assets had rendered the Palestinian people helpless. Israel's acts of aggression and oppression were deliberate attempts to preclude and torpedo any possibility for peace in the region. The fatal disregard for the demands of the international community and the conduct of violence and terror had exacerbated an already dire situation.

28. The impunity with which Israel had been allowed to carry out its crimes had emboldened its Government. It was therefore high time for the international community to take effective measures to protect and enforce the most basic rights of the Palestinians and to end the vicious cycle of violence resulting from the occupation. The ending of Israeli occupation and the establishment of a Palestinian State, with Quds al-Sharif as its capital, the return of all Palestinian refugees to their homeland, and the ending of the occupation of the Syrian Golan were the only viable and sustainable means of ensuring the permanent sovereignty of the Palestinian people and the Arab population over their natural resources.

29. It was imperative that the international community should become more effectively involved and, in that regard, the Committee could play an important role by addressing the detrimental effects of the Israeli occupation on the living conditions of the Palestinian people and by acting to prevent Israel from continuing to flout the will of the international community, as expressed through the relevant United Nations resolutions.

30. **Mr. Husain** (Observer for the Organization of the Islamic Conference (OIC)) joined previous speakers in expressing his delegation's deepest condolences on the untimely demise of Chairman Yasser Arafat.

31. He welcomed the report's emphasis on the importance of reviving the Middle East peace process on the basis of Security Council resolutions 242 (1967), 338 (1973), 425 (1978) and 1397 (2002), the principle of land for peace, and the need for compliance with the agreements reached between the Palestine Liberation Organization and the Government of Israel. The report also highlighted Economic and Social Council resolution 2003/59, reaffirming the applicability of the 1949 Geneva Convention relative to the Protection of Civilian Persons in Time of War. OIC maintained the principle of the inalienable rights of the Palestinian people and of the population of the occupied Syrian Golan over their natural and economic resources, including land and water. It was therefore deeply concerned about the grim scenario described throughout the ESCWA report, which detailed the damaging effects of the protracted Israeli occupation on all aspects of the lives of Palestinians and, in particular, on the economy, women and family life.

32. The member States of OIC shared the grave concerns of the United Nations over the situation in the Occupied Palestinian Territory. At the tenth session of the Islamic Summit Conference, Heads of State and Government had reaffirmed the need to establish an independent Palestinian State, with Jerusalem (Quds al-Sharif) as its capital, and the need to implement all international resolutions pertaining to Palestine and the Middle East. They had also called on the Quartet to work studiously to reach a just and comprehensive peace in the Middle East in implementation of the relevant resolutions of international legitimacy, the Madrid Principles, the Arab Peace Initiative and the road map as published.

33. He drew attention to chapter III of the ESCWA report, which dealt with the occupied Syrian Golan, and said that the Islamic Summit Conference had demanded that Israel should complete its withdrawal from the area to the borders of 4 June 1967, in accordance with Security Council resolutions and the principle of land for peace.

34. OIC was of the view that the construction of a wall was creating unjust realities in respect of the borders of Palestine and was further hindering confidence-building measures in pursuit of the road map. The United Nations General Assembly, the Islamic Summit Conference and International Court of Justice had all stated reasons confirming that the wall was unacceptable and that further progress in its construction should be prevented.

35. OIC advocated the resumption of peace negotiations and the adoption of firm and practical measures and deadlines for the establishment of an independent sovereign State of Palestine, with Jerusalem as its capital. It would be timely, pragmatic

and courageous to end the occupation in order to lay the foundations for sustainable peace and prosperity for Palestine and all countries of the region.

36. **Mr. Al-Shabibi** (Yemen) said that the sufferings of the Palestinian people and of the population of the Syrian Golan were getting steadily worse under the Israeli occupation. The facts and figures contained in the ESCWA report (A/59/89-E/2004/21) indicated the existence of a humanitarian catastrophe of which the entire world, and the United Nations in particular, should take note, particularly in view of the economic and social consequences of the Israeli practice of destroying and plundering resources and property. It was distressing, in the twenty-first century, and in a world that proclaimed the principles of freedom, equality and human rights, that the Palestinian people should be suffering repression and injustice and be denied by the Israeli occupation the right to live in peace in its own national territory.

37. The international community did not need new resolutions in order to relieve the suffering of the Palestinian people, but rather a genuine will and courage to force Israel to implement the existing resolutions of the United Nations, particularly Security Council resolution 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003). His delegation shared the opinion of the Secretary-General that the only means of relieving the sufferings of the Palestinian people was to establish a just and comprehensive peace in the Middle East and to put an end to the Palestinian-Israeli conflict.

38. In conclusion, he reaffirmed the support of his Government for the Palestinian people in its aspiration to secure sovereignty over its national territory, and to establish a Palestinian State with Jerusalem as its capital, and for the people of the Syrian Arab Golan and Lebanon in their struggle to regain sovereignty over the occupied Syrian Golan and the Shab'a Farms area of Lebanon.

Agenda item 85: Sustainable development (*continued*)

(b) Further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (*continued*) (A/C.2/59/L.34)

(c) International Strategy for Disaster Reduction (*continued*) (A/C.2/59/L.7 and L.31)

39. **The Chairman** told the Committee that the draft resolution contained in document A/C.2/59/L.34, entitled "Promoting an integrated management approach to the Caribbean Sea area in the context of sustainable development" was not yet available in all working languages, and asked if it wished to proceed with its adoption in English only.

40. **Ms. Wang** Ling (China) said her delegation needed to have the Chinese version of the draft resolution, which it hoped the Secretariat could make available as soon as possible.

41. **Mr. Al-Rasheed** (Saudi Arabia) said that discussion of the draft resolution should be postponed until it was available in all working languages.

42. **Ms. Navarro** (Cuba) appealed to the Secretariat to do all it could to ensure that such a situation did not arise again. It was very important for delegations to have draft resolutions available in all languages before discussing them.

43. **Mr. Seth** (Secretary of the Committee) said that from the beginning of the session the need had repeatedly been emphasized for draft resolutions to be submitted at least forty-eight hours in advance of their scheduled discussion to allow time for them to be translated. The Secretariat's predicament was that while wishing to adhere to a timetable it was receiving agreed texts so late that it had become difficult and sometimes impossible to translate and distribute them in time. The difficulty could be resolved only by a more orderly submission of draft resolutions. In future, meetings would be scheduled only when draft resolutions were available in all languages.

44. **Mr. Rojas** (Chile) said it was not easy for delegations that were acting as facilitators and negotiating on behalf of regional groups. Decisions had to be taken on the basis of multilingualism, and discussions leading to agreed texts of draft resolutions should not be undertaken in haste. The Committee's

working methods were neither improving nor complying with the principle of multilingualism.

45. **The Chairman** requested the Secretariat to do its best to ensure that the draft resolutions relating to the present agenda item were available in all languages by the following day. Later in the session, the Committee could discuss the question of modalities and deadlines for the submission of draft resolutions in general and members could take a collective decision on improvement of its work in that regard.

46. **Mr. Toscano** (Switzerland), Facilitator, read out the following minor changes to draft resolution A/C.2/59/L.31, entitled "International Strategy for Disaster Reduction": in the last line of the last preambular paragraph, the words "preparations for" should be deleted; in operative paragraph 4, "to cover the costs" in the second line should read "to cover costs"; in operative paragraph 9, "with" should be inserted after "such as" in the second line; and in operative paragraph 13, "in Bonn" in the last line should be moved to the end of the paragraph.

47. **Mr. Seth** (Secretary of the Committee) said that by operative paragraph 18 of the draft resolution the General Assembly would request the Secretary-General to allocate adequate financial and administrative resources, within existing resources, for the effective functioning of the inter-agency secretariat for the Strategy. The Secretary-General wished to draw Member States' attention to the fact that the General Assembly, in its resolution 54/219, had established the secretariat for the International Strategy for Disaster Reduction and the Inter-Agency Task Force for Natural Disaster Reduction as successor arrangements for the International Decade for Natural Disaster Reduction. The secretariat for the Strategy and its activities were exclusively financed from extrabudgetary resources. Therefore, if the General Assembly adopted draft resolution A/C.2/59/L.31, there would be no financial implications for the regular budget. The Committee's attention was drawn to the provisions of section VI of General Assembly resolution 45/248 B, in which the Assembly reaffirmed that the Fifth Committee was the Main Committee of the Assembly entrusted with responsibilities for administrative and budgetary matters, and reaffirmed also the role of the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

48. *Draft resolution A/C.2/59/L.31, as orally revised, was adopted.*

49. *Draft resolution A/C.2/59/L.7 was withdrawn.*

Agenda item 89: Eradication of poverty and other development issues (A/59/115, A/59/155-E/2004/95 and A/59/158)

(a) Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) (A/59/326 and Add.1)

(b) Women in development (A/59/287)

(c) Industrial development cooperation (A/59/138)

50. **Ms. Kan** (Chief, Social Perspective on Development Branch, Department of Economic and Social Affairs), introducing the report of the Secretary-General on the implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) and preparations for the International Year of Microcredit, 2005, as contained in document A/59/326, said that in the past decade a growing number of studies had suggested that under the right conditions access to financial services, particularly microcredit, enabled poor people to increase their incomes, build assets and reduce their vulnerability to crises. They had also shown that microfinance clients, especially women, had been empowered and able to translate their increased incomes into investments in education, health, nutrition and better management of household emergencies.

51. Several challenges, however, remained, notably how to reach those who still did not have access to microfinance and the concern raised by the growing commercialization of microfinance regarding the need to balance social mission against the need for financial viability and profitability. Governments and international stakeholders could play an important role in identifying, developing and supporting microfinance institutions, and the report offered recommendations to that end.

52. The second part of the report provided information on the key initiatives and activities planned by Governments, the United Nations system and other stakeholders to mark the International Year of Microcredit. It was encouraging to note that a number of countries had already established multi-

stakeholder national coordinating committees or focal points. The joint coordinators were focusing their activities on communication initiatives to build broad public awareness, special events and partner collaboration. Observance of the Year should be viewed not as an isolated event but as part of a continuing process of advocacy and partnership to promote and provide greater access to microcredit and microfinance by poor people.

53. **Ms. Hannan** (Director, Division for the Advancement of Women), introducing the report of the Secretary-General on the *World Survey on the Role of Women in Development* (A/59/287), said that the full *Survey* would be issued in December 2004 and would be available for broader distribution as a publication of the Division for the Advancement of Women at the forty-ninth session of the Commission on the Status of Women early in 2005. The Secretary-General's report provided a summary of key elements in the full *Survey*. Consideration of women in development within the framework of the General Assembly's work on economic and financial matters, on a biannual basis, provided an important opportunity to highlight gender perspectives in current and emerging economic issues and to contribute to the formulation and implementation of gender-sensitive development policies and programmes.

54. The report currently before the Committee addressed the issue of women and international migration. The migration of women had always been an important component of international migration. Migrant women contributed to the economic development of both their country of destination, through their competencies and skills, and their countries of origin, through financial contributions from remittances and the improvement of their own education and skills. Refugee and displaced women and girls faced particular problems, including vulnerability to sexual violence and exploitation. The trafficking of women and girls for prostitution and forced labour was one of the fastest growing areas of international criminal activity.

55. The *World Survey on the Role of Women in Development* made a number of recommendations for improving the situation of migrant, refugee and trafficked women. Among other measures, the report recommended ratification and implementation of all international legal instruments that promoted and protected the rights of migrating women and girls; review of national emigration and immigration laws and policies; development of policies and programmes to enhance women's access to employment opportunities, safe housing, education and language training, health care and other services; and research and improved data collection activities to provide a more solid basis for the formulation of appropriate gender-sensitive migration policies and programmes. It was hoped that those recommendations could be incorporated into the resolution on international migration to be adopted by the Second Committee at the current session.

56. The *World Survey on the Role of Women in Development* would provide an important input for the 10-year review and appraisal of implementation of the Beijing Platform for Action and the outcome of the special session of the General Assembly to be held in connection with the forty-ninth session of the Commission on the Status of Women in 2005. The Commission would focus on national-level implementation through sharing of experiences and good practice, including in a number of high-level interactive events. One high-level panel would focus on integrating gender perspectives into macroeconomics and a second would address the challenges in linking the Beijing Platform for Action with the Millennium Declaration and the Millennium Development Goals.

57. The Millennium Declaration recognized the need to promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that was truly sustainable. The General Assembly had reaffirmed, in its resolution 56/188, that gender equality was of fundamental importance for achieving sustained economic growth. Gender perspectives needed to be explicitly outlined in the development of strategies to achieve the Millennium Development Goals on poverty and hunger, education, maternal and child mortality, HIV/AIDS and other diseases, environmental sustainability and partnerships for development.

58. The United Nations conferences and summits over the past decade had been instrumental in highlighting the cross-cutting nature of gender perspectives and their relevance for sustainable development, including the promotion of economic growth and poverty eradication, through incorporating attention to gender perspectives in policy

recommendations. Greater attention now had to be given to implementation strategies, including the establishment of targets and indicators, and to follow-up and reporting mechanisms. The work of the Second Committee provided an opportunity for broadening and strengthening attention to gender perspectives in the pursuit of economic growth, poverty eradication and sustainable development. The resolution on the triennial comprehensive policy review of operational activities for development of the United Nations system provided one such important opportunity. A strong recommendation should also be made on the incorporation of gender perspectives into the first comprehensive review of the follow-up to the Millennium Declaration and the Second High-level Dialogue on Financing for Development, both of which were planned for 2005.

59. **Mr. Sabri** (United Nations Industrial Development Organization (UNIDO)), introducing the report on industrial development cooperation (A/59/138), said that the report focused on the critical role of productivity factors and industrial development for the achievement of the Millennium Development Goals. It also reflected changes in the work undertaken by UNIDO over the past two years in the context of the Millennium Development Goals that had resulted in better programme delivery and increased efficiency of the Organization's activities. The corporate strategy, entitled "Productivity enhancement for social advance", proposed a new approach for UNIDO activities and interventions with better focus on productivity growth. In line with the corporate strategy, technical cooperation activities based on the service modules had been adjusted to meet the evolving needs of developing countries and countries in transition. The programmatic review had resulted in the selection of eight service modules: industrial governance and statistics; investment and technology promotion; industrial competitiveness and trade; private sector development; agro-industries; sustainable energy and climate change; the Montreal Protocol; and environmental management.

60. The report made special reference to the *Industrial Development Report 2004: Industrialization, Environment and the Millennium Development Goals in Sub-Saharan Africa: The New Frontier in the Fight Against Poverty*, which addressed the dynamic processes of productivity growth, wealth creation and social advance in sub-Saharan Africa in the context of the Millennium Development Goals.

61. In furtherance of the Secretary-General's efforts to enhance coordination at the country level, UNIDO was actively involved in Common Country Assessment/United Nations Development Assistance Framework (CCA/UNDAF) and Poverty Reduction Strategy Paper (PRSP) processes to ensure that opportunities available through industrial development were given full consideration in the process of developing country programmes. To enhance the impact of operational activities at the country level and in response to the initiatives of the Secretary-General, UNIDO was seeking cooperation with other United Nations organizations. In that context, UNIDO had initiated a dialogue with the United Nations Development Programme (UNDP) on strategic partnership that had resulted in the signing on 23 September 2004 of a cooperation agreement between UNIDO and UNDP. The agreement established the basis for both organizations to develop joint technical cooperation programmes, particularly in support of private sector development in developing countries, taking into consideration the recommendations of the United Nations Commission on the Private Sector and Development. At the same time, it introduced a new model of field representation with UNIDO desks established in UNDP offices. The agreement, which UNIDO viewed as a possible model for the entire United Nations system, would be implemented first during a pilot phase of two years, to be followed by a joint evaluation of its impact in terms of enhancing and expanding technical cooperation services and providing a cost-effective modality for joint field representation.

62. The Organization had entered into strategic partnership with the World Trade Organization (WTO) and the International Organization for Standardization (ISO) in the field of technical barriers to trade; it actively participated in the Millennium Project and had become a core member of the Global Compact. With its central coordinating role within the United Nations system in the field of sustainable industrial development, UNIDO continued to play an active role in United Nations coordinating mechanisms, including the United Nations Systems Chief Executives Board for Coordination/High Level Committee on Programmes and promoted better policy coherence in the field of economic development.

63. Because of the need for a stronger emphasis on economic development and a corresponding strengthening of coordination among the relevant United Nations entities as an essential factor to promote progress towards achievement of the Millennium Development Goals, UNIDO had put forward an initiative to enhance system-wide policy coherence and operational effectiveness in the economic field. It aimed at renewing the United Nations economic development functions in the context of the Millennium Declaration and emphasized the need to redress the current undersupply of specific public goods such as market efficiency, knowledge and environment, and to enhance the links between economic and social development in order to improve prospects for achieving the Millennium Development Goals and make the process sustainable. If the Second Committee endorsed the initiative, the United Nations system could significantly enhance its contribution to the achievement of the Millennium Development Goals.

64. In accordance with General Assembly resolution 57/237, the report contained an annex with information on the outcomes of the Global Biotechnology Forum, held from 2 to 5 March 2004 in Chile. He would like to express his gratitude to the Government of Chile for its constructive cooperation and support for that important event.

65. **Mr. Rojas** (Chile) thanked the representative of UNIDO for his kind words regarding the contribution of Chile to the Global Biotechnology Forum. He would also like to recognize the work done by UNIDO in planning the Forum.

66. **The Chairman** said he had two questions. Firstly, document A/59/326 suggested that Governments should be encouraged to take into account, where appropriate, guidelines such as the Guiding Principles on Regulation and Supervision of Microfinance (para. 67 (b)). He asked for clarification as to what type of guidelines or regulations were being referred to. Secondly, with regard to UNIDO, he wished to stress the importance of capacity-building in the area of productivity and industrialization. None of the modules dealt with development of productive capacity. He would like clarification as to why that was the case.

67. **Mr. Kogda** (Burkina Faso) said that his first question concerned microcredit. He had not heard any reference to the participation of financial institutions, particularly banks, in the International Year of Microcredit. He asked what the Coordinating Committee intended to do to involve the financial institutions and banks and to find out their views regarding the event.

68. His second question had to do with industrialization. As the Chairman had just mentioned, it was necessary to increase productive capacity. What should be done in that regard? Industrialization in itself was not enough; the developing countries needed technology. He asked what UNIDO could do to encourage the transfer of technology to the developing countries.

69. **Mr. Sabri** (United Nations Industrial Development Organization) said that UNIDO was guided by the corporate strategy and the business plan. There were now only eight service modules because UNIDO was trying to focus its work on priority activities for the industrial development of countries that were in great need. In Africa, for example, the Heads of State had recently adopted a UNIDO programme to be carried out within the framework of the New Partnership for Africa's Development (NEPAD) which placed great emphasis on the enhancement of productivity and capacity. Although the descriptions of the service modules might not include the specific wording that some delegations would like to see, most of them dealt with the issue. UNIDO had a department that was in charge of investment promotion and technology; in fact, the work of UNIDO was concentrated on that particular area, including private-sector development and the environment.

70. **Ms. Kan** (Chief, Social Perspective on Development Branch, Department of Economic and Social Affairs), replying to the question relating to paragraph 67 (b) of document A/59/326, said that the recommendation was further explained in paragraph 32 of the report, which contained suggestions on how microfinance could be better regulated and supervised in order to develop microfinance institutions. An important role for Governments as well as for the international community was to promote better governance and accountability. The guidelines adopted by the Consultative Group to Assist the Poor were mentioned merely to indicate that they could serve as a good basis for the international community to consider.

71. As for the question regarding financial institutions, she said that they were beginning to participate, and the Coordinating Committee was reaching out to them. Some banks were already involved, and it was hoped that more would join in the future.

72. **Mr. Van den Akker** (Netherlands), speaking on behalf of the European Union, the candidate countries (Bulgaria, Croatia, Romania and Turkey), the countries of the stabilization and association process (Albania, Bosnia and Herzegovina, Serbia and Montenegro, and the former Yugoslav Republic of Macedonia) and the EFTA countries (Iceland and Norway), said that economic growth alone was not sufficient to eradicate poverty, one of the greatest global challenges currently facing the world. Indeed, poverty eradication would only be sustainable when poor people participated in, contributed to and benefited from economic growth. Conditions should be created to increase access by the poor, particularly women, to microcredit and microfinance. Although inequality between the poor and the rich, men and women, was a hindrance to growth, most poverty-reduction plans and strategies overlooked social equity and gender equality concerns. At best, the existence of inequalities was recognized but few concrete policies were developed to reduce them.

73. The European Union was fully committed to poverty reduction and used the Millennium Declaration and the Millennium Development Goals as overarching frameworks for its development activities. In 2001, it had reiterated that poverty reduction was a core part of its development cooperation policy, which focused on economic development, social and human development and regional cooperation and integration. Gender equality, environmental sustainability, institutional development, capacity-building and combating HIV/AIDS were also cross-cutting themes which were essential for success.

74. The European Union, the single biggest investor in developing countries and a top provider of development assistance, was fully aware that development policies would not be sustainable if developing economies could not take part in the world economy. It therefore welcomed the July Package agreed by WTO in 2004, which signalled major progress towards a successful conclusion of the Doha Development Round. The European Union believed that the very favourable market access conditions it granted developing countries, including duty- and quota-free access for all least developed country exports under the "Everything but arms" initiative, together with financial assistance, including trade-related technical assistance and capacity-building to help countries make use of the opportunities offered, would lead to sustainable economic growth.

75. However, economic growth alone was not enough, since key issues of distribution and equality of opportunity must also be addressed. Developing countries themselves had the primary responsibility for poverty reduction. Indeed, under the Millennium Declaration, the eradication of extreme poverty had to go hand-in-hand with a stronger commitment to building and strengthening democratic institutions, respect and promotion of human rights and the rule of law, as well as the effective and equitable delivery of public services. To attain the Millennium Development Goals, Governments had to put in place an operational framework setting out a country-owned cross-cutting agenda. The business plans of various development partners, such as the World Bank's country assistance strategy and the United Nations Development Assistance Framework, could subsequently focus on how specific agencies could best support the implementation of nationally owned poverty reduction strategies and assist developing countries to make good progress towards reaching the Goals.

76. Noting that partnerships were key ingredients in the fight against poverty, he said that the European Union was fully determined to follow through on its commitments under the Millennium Development Goals and the Monterrey Consensus to support developing country efforts by dismantling trade barriers, expanding debt relief and increasing development assistance. Indeed, four European Union member States and Norway had already achieved the internationally agreed target of earmarking 0.7 per cent of gross national income for official development assistance. Furthermore, the European Union had made a collective commitment to earmark an average of 0.39 per cent of gross national income for ODA by 2006 and an individual commitment of at least 0.33 per cent.

77. Regarding innovative financing, the European Union supported the declaration by Heads of State and Government, heads of international organizations and civil society leaders adopted on 20 September 2004 at the meeting held at the United Nations. Referring to the Rome Declaration on Harmonization adopted by

the High-level Forum on Harmonization in February 2003, he said that the European Union faced the challenge of developing, in consultation with other development partners, a road map to improve coordination and reduce transaction costs, including by making the greatest possible use of national systems, which would also help to improve governance and enhance the delivery of public services.

78. The European Union was strongly committed to combating HIV/AIDS and to supporting affected people. Recent trends in prevalence and deaths indicated that the number of people living with HIV/AIDS had increased from 35 million in 2001 to more than 40 million currently, half of whom were women and children. The pandemic's spread among women and girls aged 15 to 29 in southern Africa had reached alarming levels, double the rate of men and boys in the same age group. Gender inequalities left many girls and women in developing countries vulnerable to abuse, often unable to negotiate safer sex or turn down unwanted sex. The gender dimension of HIV/AIDS must be tackled through innovative strategies and special prevention measures. Since the pandemic had long-term implications, global and national leadership, partnership and the availability of adequate resources to fight it needed to be further stressed.

79. The European Union was fully committed to the implementation of the Cairo Agenda, which set the objectives and goals in the area of sexual and reproductive health and rights, and to future challenges in implementing that Agenda, which required, inter alia, commitments to strengthen partnerships between public and private parties and addressed the urgent need for increased resources. 2005 would be a critical year, particularly for Africa, because of upcoming reviews of the Beijing Platform for Action and the Copenhagen Plan of Action tied in with the comprehensive review of the Millennium Declaration and the Millennium Development Goals. Achieving the Millennium Development Goals called for wider participatory processes, stronger institutions, focused investments in economic and social infrastructure and more domestic and external resources.

80. **Mr. Chowdhury** (Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States) said that the Secretary-General's current report on the implementation of the first United Nations Decade for the Eradication of Poverty (A/59/326) extensively covered the contribution of microcredit to poverty eradication. In 2003, according to estimates, over 67 million poor and low-income people had had access to microfinance and up to 70 countries had had active microcredit and microfinance programmes. The experiences of least developed countries showed that microcredit and microfinance were effective tools for poverty reduction and the empowerment of people, particularly women. For example, in Bangladesh, the Grameen Bank, the world's largest microcredit provider, had almost 1,300 branch offices in more than 46,000 villages, serving 3.8 million clients, 96 per cent of whom were women. It had disbursed loans worth $4.5 billion.

81. Bangladesh had incorporated microcredit into its national development strategy and similar success stories had been recorded in Benin, Bolivia, Bosnia and Herzegovina, Nepal and Samoa. Microcredit could also be instrumental in increasing the productive capacities of communities, promoting the growth of local markets and creating jobs. However, inadequate policy and regulatory environments, poor access to information and weak human and institutional capacity for microfinance severely limited access to microcredit. In most least developed countries, penetration rates hardly exceeded 1 per cent.

82. Microfinance should not be viewed as the sole instrument for poverty reduction, despite its considerable impact in conditions of extreme poverty. Its enormous potential could be fully realized only in combination with other interventions such as social protection programmes, wage employment schemes and training. Many studies concluded that microcredit led to the empowerment of women and increased their self-confidence and status in the community. In that regard, the International Year of Microcredit created a unique opportunity to improve awareness and share knowledge of best practices and lessons learned in microcredit and microfinance. Microcredit had enormous potential for human security in the least developed countries. Indeed, for those countries, microcredit was more than just a development tool. It was a vital means of income generation, social inclusion and empowerment.

83. On the subject of women in development, he noted that gender-based disparity was most pronounced in least developed countries, where the great demand

for women's labour, particularly in rural areas, further exacerbated the marginalization of women. The lack of productive resources like land, credit, appropriate technology, knowledge-based production methods and fair prices for goods, impeded women's empowerment. The socio-economic conditions in least developed countries contributed to a large extent to the feminization of poverty. That situation had been compounded by the spread of HIV/AIDS among women and young girls. In that regard, greater access to education and training, credit and information would improve economic conditions, facilitate women's empowerment and contribute to family and household well-being. Many least developed countries emerging from conflicts continued to rely on women for the provision of basic household support as well as for the economic well-being of families and households. Therefore, the inclusion of women in peace and security efforts was bound to further enhance the broader objectives of conflict resolution and post-conflict peacebuilding.

84. **Mr. Al-Mahmoud** (Qatar), speaking on behalf of the Group of 77 and China, reiterated the important potential contribution of the World Solidarity Fund to the achievement of the Millennium Development Goals, especially the objective of halving by 2015 the proportion of people living on less than $1 a day. In that regard, he welcomed the preliminary meeting on 17 September 2004 of the High-level Committee of the World Solidarity Fund, a meeting that the Group hoped marked the beginning of the operationalization of that Fund. Solidarity had been identified in the Millennium Declaration as one of the fundamental and universal values which should underlie relations between peoples in the twenty-first century. Accordingly, the Group of 77 and China would propose in its draft resolution on that issue that 20 December of each year should be proclaimed International Human Solidarity Day.

85. Innovative sources of financing could play an important part in the fight against hunger and poverty, and he therefore welcomed the meeting of world leaders for action against hunger and poverty which had convened in New York on 20 September 2004. The Group of 77 and China, recognizing the crucial role of microcredit and microfinance in eradicating poverty, promoting gender equality, empowering vulnerable groups and developing rural communities, urged governments to facilitate the expansion of microcredit and microfinance institutions to service the large unmet demand for financial services among poor people, including the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions.

86. The advancement of women worldwide, particularly in developing countries, had been impeded by widening economic inequalities, unemployment and high levels of poverty, intensified by globalization and other global economic transformations. Women still had no access to financial resources, such as credit and loans. In some countries, they lacked equal property rights and continued to earn lower wages and salaries than men. While globalization had opened up a range of new opportunities for women, in countries where its effects had increased poverty and left women with limited economic, social or political rights, international migration had become a viable option for them to improve their social and economic situations. In that regard, while migrant women contributed to the economic development of both their country of destination and their country of origin, they also faced greater risks of discrimination, exploitation and abuse than male migrants. The Group of 77 and China accordingly wished to urge that the gender dimensions of international migration be considered within the context of integrating women into development.

87. As for industrial development cooperation, it was a vital source of new technologies and technological innovation. Industrial development could facilitate the creation of new and important skills and could spark the institutional change needed for modern methods of production as well as generate entrepreneurship. Successful industrialization could then play a major role in creating employment as well as higher-paid jobs, ultimately addressing the issue of poverty eradication. In that regard, promoting micro-, small- and medium-sized enterprises through training, education and skills enhancement, with a special focus on agro-industry to provide livelihoods in rural communities, remained critical for many developing countries.

88. However, it was imperative to recognize the importance of transferring technologies to developing countries as an effective means of international cooperation with a view to achieving the Millennium Development Goals. Favourable international and national measures for the industrialization of developing countries, coupled with investment promotion and enhanced market access to enable

developing countries to achieve those Goals was also vital, as was the need for continued, coordinated and effective industrial development assistance in developing countries. The United Nations, particularly through UNIDO, also had an important role to play in addressing the industrial development needs of developing countries. In that regard, cooperation and coordination within the United Nations system in providing effective support for the sustainable industrial development of developing countries was essential. The Group of 77 and China welcomed the efforts by UNDP and UNIDO to increase their country-level cooperation and the efforts of UNIDO to play an active role in United Nations coordination mechanisms to promote better policy coherence in the field of economic development.

89. **Mr. Zhang** Yishan (China) said that the international community had made a tremendous effort to eradicate poverty and hunger, yet had fallen short of its original objectives. Greater focus on creating a peaceful and stable political environment in developing countries was crucial, as was the need for the effective management of the globalization process. Full participation of all countries and the fair distribution of the dividends of globalization could best be ensured through the establishment of fair, open and transparent structures and rules in world trade, investment and finance. In that regard, developed countries had an obligation and responsibility to fulfil their pledges with respect to financial aid, technology transfer, debt relief and trade.

90. Furthermore, developing countries should take firm action in fulfilling their own responsibilities and obligations, and should seek to incorporate poverty eradication into their national programmes and strategies for economic and social development, goal-setting and implementation.

91. Another important aspect of poverty eradication was the mobilization of efforts to establish domestic partnerships between interests representing government, the private sector, civil society, women and youth groups. At the global level, efforts should focus on poverty eradication goals, diversified cooperation and optimal use of various resources, and identifying ways of boosting dynamism in international cooperation geared towards poverty eradication.

92. He shared the view that in achieving the Millennium Development Goals there was a need to accelerate economic growth, for which industrial development was one of the main driving forces. He took the opportunity to express his delegation's appreciation for the work of UNIDO in assisting in the formulation of integrated programmes and country service frameworks for recipient countries. He also pointed out that, in the elaboration of those instruments, full consideration should be given to national conditions and priorities.

93. His Government attached high priority to poverty eradication and the achievement of prosperity for all people. Although China still had a low average per capita income and continued to face the problems and pressures of unbalanced development, over the past twenty years it had made enormous progress in reducing the number of people living in poverty from 250 million to 20 million, and rural poverty had fallen from 30.7 per cent to 3 per cent.

94. China had enjoyed fruitful cooperation in the area of poverty eradication with other countries and international organizations. In follow-up to the Global Conference on Scaling Up Poverty Reduction held in Shanghai in May 2004, the Government of China was actively preparing the establishment of the International Centre for Poverty Reduction, which would serve as a forum for information exchange and the enhancement of capacity-building.

The meeting rose at 6.15 p.m.